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**Date:** 10/26/2016

**GAIN Report Number:** CH166027

## China - Peoples Republic of

**Post:** Guangzhou

### Monthly Agricultural Market News of South China – 3

**Report Categories:**

Agricultural Trade Office Activities

Agriculture in the News

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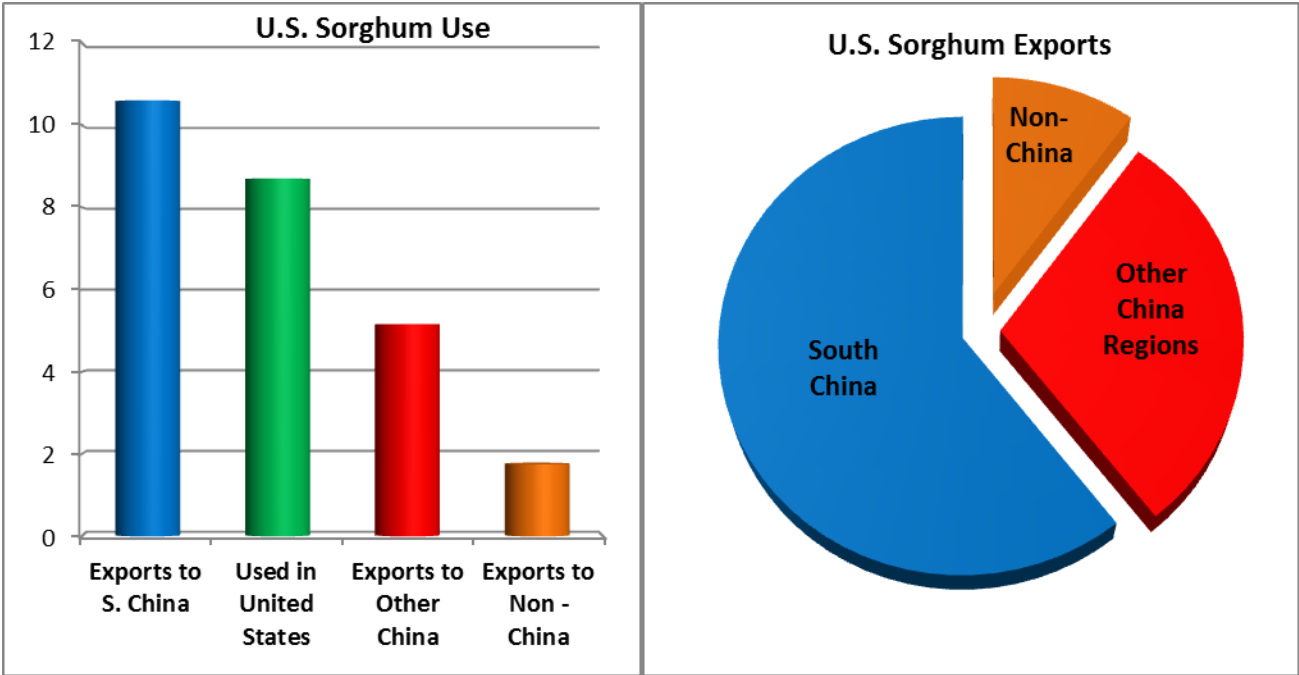
ATO Guangzhou Staff

**Report Highlights:**

South China has been the largest user of U.S. sorghum....Upcoming opportunities for U.S. exporters to meet with South China seafood, pet food, and other food product importers...ATO Guangzhou launches a retail promotion, organizes a South China chef training in California, holds a wine and spicy food pairing event, and arranges other promotional events and activities.

**General Information:**  
**South China the Largest User of U.S. Sorghum**

**U.S. Sorghum Use and Exports**  
(Marketing Year 2014/15-2015/16)



Data Source: ATO/Guangzhou compilation of FAS PSD online, China Customs Data, and U.S. Export Sales

During the past 2 years, South China emerged as the world’s largest user of U.S. sorghum, and nearly forty percent of all the sorghum produced in the United States was imported into South China. In fact, more sorghum was imported into South China than was consumed domestically in the United States. Although Southern China has very robust swine, poultry, and aquaculture production, very little feed grain is produced in this region due to the sub-tropical climate. As a result, grains must either be shipped from other growing areas in China, or imported from foreign suppliers.

In recent years, U.S. sorghum has been very attractive to Southern Chinese feed producers due to its lower price compared to domestic corn, and the absence of import restrictions. As a result, feed millers and producers have become very familiar with using U.S. sorghum and incorporating it into their feed rations. This year, however, robust supplies of domestic corn and subsequent lower corn prices could impact the volume of U.S. sorghum sales.

Note: Southern China includes Guangdong, Fujian, Guangxi, Hainan, and Hunan provinces.

## **Upcoming Events**

**November 2-4, China Fisheries & Seafood Expo, Qingdao:** China is a growing market for seafood products with significant potential. Nearly 30 U.S. seafood exporters will exhibit at the China Fisheries & Seafood Expo in Qingdao in earlier November. FAS/China is organizing the U.S. pavilion and will also have a booth at the show to provide assistance to U.S. exhibitors and to connect visiting Chinese buyers with U.S. suppliers. U.S. seafood exporters who would like to meet with South China importers can please contact [Vivian.Xian@fas.usda.gov](mailto:Vivian.Xian@fas.usda.gov).

**November 8-10, Food & Hotel China, Shanghai:** During the period of November 8-10, one of the leading food and wine shows in Asia - Food & Hotel China - will be held in Shanghai. Over 50 U.S. food exporters will exhibit at the U.S. pavilion. FAS/China will have a booth at the show to provide assistance to U.S. exhibitors and make introductions among Chinese buyers and U.S. suppliers. U.S. food and beverage exporters who would like to meet with South China importers at this show can please contact [Vivian.Xian@fas.usda.gov](mailto:Vivian.Xian@fas.usda.gov).

**November 10-13, China International Pet Show (CIPS), Guangzhou:** China is a rapidly growing market for pet foods. ATO Guangzhou will visit CIPS to learn about market updates, trends and opportunities for U.S. exporters. For more information, please visit the CIPS web page (<http://en.cipscom.com/>) or contact ATO Guangzhou Marketing Specialist Ken Chen ([Kang.Chen@fas.usda.gov](mailto:Kang.Chen@fas.usda.gov)).

## **Recent ATO Guangzhou Activities**

**ATO Guangzhou Organizes Great American Food Festival** - On September 23, ATO Guangzhou, in cooperation with Yihua Department Stores, launched the “Great American Food Festival” in Jiangmen, a third tier city in Guangdong province. This food festival featured 500 different U.S. agricultural food and beverage items, among which 230 were newly introduced to the 15 participating Guangdong province-based Yihua Department Stores. Dried fruits, nuts, crackers, drinking water, fresh fruits, frozen seafood, dairy products, breakfast cereals and cooking ingredients were highlighted during this event.



**South China Chefs Learn the Quality of U.S. Food Ingredients and Culinary Trends** - In late September, ATO Guangzhou arranged for fourteen executive chefs from leading restaurant chains in

Southern China to attend a specifically designed training program in California. The team visited themed restaurants in the San Francisco Bay area to learn the latest culinary trends and find recipe development inspirations, followed by a three-day intense program at the Culinary Institute of America's California campus. All participants appreciated the learning opportunity and expressed their keen interest in featuring more U.S. food ingredients on their restaurant menus.



**China's Appetite for Imported Products Continues to Grow** – On October 17, ATO Guangzhou and Ms. Hui Jiang, Agricultural Analyst of USDA's Office of Global Analysis, met with the largest e-commerce platform in South China to learn more about the industry and new opportunities for U.S. food and agricultural exporters. In 2015, China's e-commerce market reached \$590 billion with some 667 million online customers. According to key e-commerce specialists, high-value, nutritional and organic products are the most sought after food and beverage items online. ATO Guangzhou e-commerce trade contacts are eager to find additional quality suppliers from the United States.

**South China Livestock and Feed Industry Survey** – On October 20-21, ATO Guangzhou staff, accompanied by Ms. Jiang, visited with various U.S. feed ingredient importers and livestock producers to discuss the prospects for imports of U.S. feed and livestock genetics. Although imports of U.S. DDGs will be impacted by recently implemented import duties, and sorghum imports could be affected by low domestic corn prices, prospects continue to be bright for U.S. soybeans as a result of rising swine populations and reduced South American competition. High hog prices in China could also result in greater imports of U.S. swine genetics this year. ATO Guangzhou discussed with importers prospects for U.S. sugar beet pulp, which has recently gained market access into China. A number of these contacts expressed their interest in exploring imports of this product. Importers also expressed strong market demand for U.S. low-protein whey as a feed additive, and the United States has the lion's share of the Chinese market for this product.



**California Zinfandel Wine Promotion in Guangzhou** – On September 28, ATO Guangzhou and the California Wine Institute (CWI) co-organized a promotional event featuring U.S. Zinfandel wines paired with spicy Sichuan style cuisine in Guangzhou. Representatives from a total of 14 highly regarded restaurants, five media professionals and nine wine importers/distributors participated in the event. Along with selecting seven Zinfandel wines to pair with various dishes, the promotion's assigned CWI wine educator gave an in-depth introduction to U.S. Zinfandel wine and history. Participants were very impressed with how well U.S. Zinfandel wines paired with spicy Sichuan style foods (which are increasingly popular in Guangzhou) and multiple restaurant representatives discussed including U.S. Zinfandel wines in their menu.



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